mark of respect to the memory of the departed.

(*Hon. Members then stood in silence for one minute*)

MR. CHAIRMAN : Secretary-General will convey to the members of the bereaved families our sense of profound sorrow and deep sympathy.

ORAL ANSWERS TO QUESTIONS

*श्री संघ प्रिय गौतम :

*श्री ए स०एस० अहलुवालिया :

*श्री संघ प्रिय गौतम

*श्री एस०एस० अहलुवालिया :

श्री संघ प्रिय गौतम

MR. CHAIRMAN : Will you please sit down ? (*Interruptions*). You have said enough Will you please sit down ? (*Interruptions*). Nothing of this should go on record. (*Interruptions*) Nothing should go on record. Question No. 681.

Involving State Governments in Improving Country's Export Performance

**681. SHRI AHMED MOMEDBHAI PATEL :
SHRI SURESH PACHOURI :

Will the Minister of COMERCE be pleased to state :

(a) whether it is a fact that the Cabinet Secretary held discussions with Chief Secretaries of States to involve State Governments in improving the country's export performance ;

(b) if so, whether it is also a fact that during the year 1993-94 India achieved a growth of 20.30% in the export sector ;

(c) if so, whether any norm has been set for achieving the export targets in 1994-95 ; and

(d) what are the names of States which have agreed to assist in the said task ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED) : (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) A Seminar was organised at Indian Institute of Foreign Trade, Delhi on 20-5-94 on Involvement of States in Export Promotion which was attended by Chief Secretaries of States also. Due to preoccupations, Cabinet Secretary could not preside over the Seminar. Secretary (Commerce) had presided over the Seminar.

(b) As per provisional estimates, the export growth during 1993-94 is 20.37% in dollar terms.

(c) Exercises relating to fixing the targets for 1994-95 are currently being carried out in consultation with Export Promotion Councils/ Commodity Boards.

(d) All the States who participated in the Seminar (list annexed see below) have agreed to assist in the task of export promotion.

Seminar of State Involment in export promotion (List of State Govts who had participated in the Seminar)

1. Government of Maharashtra.
2. Government of Madhya Pradesh.

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* Not recorded.

** The question was actually asked on the floor of the House by Shri Ahmed Mohamedbhai Patel.

3. Government of Orissa.

4. Government of Haryana.

5. Government of Tripura

6. Government of Nagaland.

7. Government of West Bengal.

8. Government of Tamil Nadu.

9. Government of Karnataka.

10. Government of Sikkim.

11. Government of Rajasthan.

12. Government of Meghalaya

13. Government of Andhra Pradesh

14. Government of Bihar

15. National Capital Territory of Delhi

16. Government of Uttar Pradesh

17. Government of Punjab

18. Government of Himachal Pradesh

19. Government of Goa

20. Government of Assam

SHRI AHMED MOHMEDBHAI PATEL : Sir, I would like to know from the hon. Minister whether during the discusions with the Chief Secretaries of the State Governments, any comprehensive policy or programme or guidelines have been evolved so that the State Governments could be fully involved in this sector. If so, what are the details of programmes and guidelines issued ? I would also like to know whether any expert body has been set up to monitor their working so that the traditionally manufactured goods or items such as silk, cotton, leather, tea, rubber, textiles, etc. are produced with good quality standards to enable them to compete in the world market. I would also like to know how many State Governments have come forward to help in improving the export performance of the above items.

THE MINISTER OF COMMERCE (SHRI PRANAB MUKHERJEE) : Sir, so far as the participation of the States is concerned as I have indicated in the statement, nearly 20 States participated. They came out with various suggestions. This was an effective interaction. The main suggestions which emanated from the States were to remove infrastructure bottle-necks, to help the States to improve the infrastructural facilities. Some State Governments suggested providing assistance from the Market Development Fund as they were having resource crunch. Some States suggested providing necessary support to certain areas where export potentialities were very high. The Central Government also brought it to the notice of the State Government representatives that there was need to have some sort of uniformity in the local levies, like sales tax and octroi duties and also to provide 'one window clearance' by the State Governments. So far as the specific areas which the hon. Member has referred to like silk, cotton, rubber, etc. are concerned, these are all included in the 34 thrust areas which have 30 per cent and above export potentiality. All these areas are receiving due attention. I would like to inform the hon. Members that most of these areas have already been identified. So far as the uniform local levies are concerned, the Finance Minister is having discussions with the Chief Ministers and the Finance Ministers of all the States in regard to octroi and sales tax. Naturally, we did not want to interfere with it. But, to provide some support to areas of specific potentiality, we have already extended some support, for example, to Tiruchur in Tamil Nadu. As far as the other problems which

the State Governments have brought to our notice are concerned, we are taking care of these things.

SHRI AHMED MOHMEDBHAI PATEL : I would like to know whether, in view of the Union Government's decision to involve the State Governments in improving the country's export performance, the Government is considering retaining a part of their contribution to foreign exchange earnings which would provide poweful incentives for the State Governments to fully involve in the export promotion. If so, to what extent has the Government considered this proposal ?

SHRI PRANAB MUKHERJEE: Sir, with full convertibility, the effectiveness of that privilege will be reduced substantially because now the State Governments can earn as much foreign exchange as they want. Of course, I have told some of the State Governments, "If you want any particular quantum of foreign exchange to be used, you can have it readily because now it is fully convertible and there is no problem in such areas."

श्री सुरेश पचौरी : माननीय सभापति महोदय, यदि हम मेजर कमोडिटीज के एक्सपोर्ट का गत वर्ष का परसेंटेज शेयर देखें तो हम इस नतीजे पर पहुचते हैं कि ज्यादातर कमोडिटीज में कमी आई है । 1992–93 के रेडीमेंड गारमेंट का यदि हम परसेंटेज शेयर देखें तो 1993–94 में यह 12.9 से कम होकर 11.3 हो गया । इजोनियरिंग गुडस का 9.5 परसेंट से घटाकर 9.1 हो गया । लैदर मेन्युफैक्चरिंग आईटम का 5 परसेंट से घटकर 3.9 प्रतिशत हो गया । काटन यार्न फैब्रिक्स का भी कम हो गया । इसकी खास वजह यह रही कि जो एक्सपोर्ट क्वालिटी है उसका एक्सपोर्ट आइटम से एक तो हम उसकी क्वानिटी मेंटेन नहीं कर पाए और दूसरे, एक्सपोर्टर को जो हम इफ्रास्ट्रक्चल फैसिलिटीज दे सकते थे, यह सारी हम उपलब्ध नहीं कर पाए । इन कमियों के मद्दे-नजर रखते हुए मैं आपके माध्यम से मंत्री जी से यह जानना चाहूगा कि इस दिशा में सरकार क्या कदम उठा रही है ? साथ ही फेडरेशन आफ इडियन एक्सपोर्टर्स आर्गनाइजेशन की जो ओपन हाऊस मीट मई, 94 में हुई, उसके क्या सुझाव आए और उस दिशा में सरकार क्या कदम उठाने जा रही है, उसका विवरण क्या है, मैं आपके माध्यम से मत्री जी से जानना चाहता हूं ।

SHRI PRANAB MUKHERJEE : Sir, sometimes, this type of statistical information leads us to an erroneous conclusion. It is true that as compared to 1992-93, the performance of certain sectors in terms of percentage is less in 1993-94 simply because of the fact that the percentage increase in 1992-93 was based on the performance of 1991-92 in which year we had a negative growth in exports; therefore, the performance in 1992-93 was little more. Sometimes, sectoral fluctuation also takes place. But if you take the aggregate performance, in 1992-93, the export in terms of dollar grew by 3.8 per cent. As against that in 1993-94, the exports growth was 20.4 per cent which is substantially higher. In the subsequent year also, in the case of certain items, that type of sectoral fluctuation took place. But we have to take care to see to it that there is no heavy fluctuation so that we can retain our presence in the market. In respect of suggestions, I have already indicated that one of the basic objectives of the Seminar is to acquaint ourselves with the developments or the likely developments emerging out of the GATT agreement and of the World Trade Organisation so that we can take full advantage of it. Particularly, one task has been given to the Institute of Foreign Trade, that is, to make a survey for identfying the potentialities which prevailed in the States so that we can take full advantage of them. As regards certain suggestions which emerged

in accordance with the discussion in the Seminar, I have indicated them in reply to the question put by the first questioner, Mr. Ahmed Mohmedbhai Patel.

श्री चतुरानन मिश्र : सभापति, महोदय, भारत को कर्ज में डूबने से बचाने के लिए बहुत ही जरूरी है कि एक्सपोर्ट को तेजी से बढ़ाया जाए । जब सभी राज्यों की बैठक हुई और मैं समझता हूं कि इसके बाद सरकार ने यह निर्णय लिया होगा या आइडेंटिफाई किया होगा कि कौन-कौन वस्तु किस राज्य से एक्सपोर्ट की जा सकती हैं ? मैं मंत्री महोदय से जानना चाहता हूं कि बिहार के बारे में क्या तय हुआ है और कौन-कौन सा सामान ऐसा है जो विदेश भेजा जाएगा इसको क्या आपने आईडेंटिफाई किया है ? दूसरे, अगर राज्यों के एक्सपोर्ट को बढ़ाना है तो क्या फौरेन एक्सचेंज में राज्यों को कुछ भी हिस्सा आप देना चाहते हैं ताकि उनका इंसेंटिव हो, यही मैं दो मुद्दों पर सफाई चाहता हूं ।

SHRI PRANAB MUKHERJEE: Sir, the representatives of Bihar suggested in the Seminar that there was an immense potentiality of the horticulture products, particularly, certain types of fruits; specially, mangoes and *leechis* were suggested. I can inform the hon. Member that on an experimental basis, we have been able to lift some *leechis* particularly, from Muzaffarpur and we have ensured that they are cargoed by air to so that we can make our presence felt in the European market. Though I have yet received any definite information, I am told that the response is quite encouraging. In respect of certain mineral products, some suggestions have come. To include basic infrastructural facilities particularly airport facilities at Patna, certain suggestions have come and we are considering them.

SHRI CHATURANAN MISHRA : The second part of my question is whether he is going to offer some incentives in the form of foreign exchange to the States. It has not been replied by the Minister.

SHRI PRANAB MUKHERJEE: I have already said that now anybody can get as much foreign exchange as he wants because the rupee is fully convertible.

SHRI CHATURANAN MISHRA : I wanted to know whether he is going to offer any incentives or not. Secondly he says 'some minerals, something'. I want that 'some' to be explained. What are those minerals of Bihar ? I want to have specific information on these things and not 'some' minerals something'....(*Interruptions*)....

SHRI PRANAB MUKHERJEE: As the hon. Member very well knows, one of the products which we are marketing but which is suffering now, is mica. It is because certain synthetic products have come as substitute and as a result of this, mica is affected seriously. Iron ore is another product. I don't know what the problem in this is. But these are the products which we are exporting from Bihar and certain other States.

In respect of incentives, what I say is that earlier when the rupee was not convertible, the rate of foreign exchange was determined by the Government there was an incentive to the States if they could get some share of the foreign exchange. But no such incentive would exist when the rupee is fully convertible. More over it will not be an additionality. Whatever they want in foreign exchange, if they want to have share in foreign exchange, they will have to pay in rupees.

SHRI INDER KUMAR GUJRAL : Mr. Minister, are you announcing that rupee is now convertible ?

SHRI PRANAB MUKHERJEE: It has already been done on trade

account....(*Interruptions*).... I am talking of trade account. I am not talking of current account. It is obvious. We are talking about trade.

SHRI JAGESH DESAI : Obviously, he is talking of trade. That is already there.

SHRI INDER KUMAR GUJRAL : The Minister was not using those words earlier. Now, he is a bit careful.

SHRI PRANAB MUKHERJEE: No, Sir. I am afraid....(*Interruptions*)....

MR. CHAIRMAN : He was alking in that context. Obviously, the Minister was talking in that context.

SHRI PRANAB MUKHERJEE: We are talking about international trade—convertib lity of rupee with reference to the rade account. There is no question of capital account.

श्री राघव जी: : माननीय सभापति जी, क्या माननीय मंत्री महोदय यह बताने का कष्ट करेंगे कि जो सेमिनार 20 मई, 1994 को हुआ था उसमें राज्य सरकारों के प्रतिनिधियों ने कौन-कौन से मुख्य सुझाव दिए थे । भरी जानकारी के अनुसार उन्होंने तीन-बार सुझाव दिए थे । तो उन सुझावों पर आपने क्या कार्यवाही करने का विचार किया है ।

मेरे प्रश्न का "ख" भाग यह है कि ऐक्सपोर्ट में जो 20 प्रतिशत की वृद्धि हुई है, उस का टारगट क्या था आपका ?

SHRI PRANAB MUKHERJEE: Sir, the target was 20% and we had achieved that target so far as 1993-94 was concerned. So far as 1994-95 is concerned, I have given some broad indication that it may be round 25%. But the details and the sector-wise targets would be fixed in consultation with various sectors.

In respect of general suggestions, I have already indicated in reply to the question of my colleauge, Mr. Ahmed Patel. There are two categories of suggestions, emerging out of our discussions. One is, we suggested certain things to the States such as one window clearance for export projects some sort of uniformity in the labour laws, some sort of uniformity in the State revenues, i.e. sales tax and octroi duties, etc. They suggested that assistance should be given by the Central Government for building up infrastructural facilities, cash incentives form the market development fund to the resourcepoor States and financial assistance to build up infrastructural facilities in certain specfied areas where the export potential is higher and a large number of export-oriented units have been established. I have given the example of Bihar--imporvement of airport facilities at Patna. Similarly, another suggestion has been made by the State Government of Punjab to build up facilities at the Amritsar airport; to open a foreign post office in Ludhiana etc. There are all infrastructural facilities. Each is being examined and we will implement the suggestions as for posssible.

SHRI PRAKASH YASHWANT AMBEDKAR: Sir, there are many State agencies which are giong in for exports, and I am basically referring to one such institution know as the Maharashtra State Export Promotion Council, having its offices at Poona, There are many enquiries from the State Government specially from the Agriculture Secretary, in preparation of the export of their products as far as transport is concerned, as far as cold storage is concerned, and as far as marketing facilities are concerned. I would like to know from the Minister whether this specific issue has been discussed and if it has been discussed, what decision has been taken.

SHRI PRANAB MUKHERJEE: Sir, certain suggestions have come from various export agencies also,

including the agency which the hon. Member referred to. And we are addressing the problem in two ways. It is becoming difficult to provide the direct assistance from the Market Development Fund because that Fund is getting reduced because of the budgetary constraints. But about the type of facilities for some sort of transport subsidy, subsidy to build up the cold storage or to extend the post-harvesting technology to farmers, to horticulture and fruit products, we are trying to address this problem through another scheme which is known as the Small Farmers Agro-business Consortium, which is being implemented by the Ministry of Agriculture.

MR. CHAIRMAN: Question No. 682.

Excluding Income Tax payers from the purview of PDS in States

*682. SHRI PASUMPON THA KIRUTTINAN: Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) The names of the States where Income Tax payers have been excluded from the purview of the Public Distribution System;

(b) the saving in subsidy every month as a result thereof;

(c) whether there is any proposal under Government's consideration to treat all the State and Union Territories at the same footing in the matter of availing of the Public Distribution System; and

(d) if not, what are the reasons for this discriminatory treatment to the Income Tax payers in some States only?

THE MINISTER OF CIVIL SUPPLIES CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI A. K. ANTHONY): (a) to (d) A statement is laid on the Table of the House.

Statement

The Governments of Gujarat, Haryana and Rajasthan have reported that certain categories of consumers in their States have been excluded from eligibility for supply of wheat and rice through the Public Distribution System (PDS). Only Income Tax payers are excluded on a voluntary disclosure basis in Rajasthan. Government of Gujarat has reported that Income Tax payers, Sales Tax assessees, farmers other than small and marginal farmers and persons having an annual income exceeding Rs. 28,000 are not eligible for PDS foodgrains in the State. Government of Haryana has reported exclusion of certain categories namely, Income Tax payers, Ministers, MLAs, Class I and Class II Officers of the Government from the entitlement to wheat, rice and sugar through the PDS. Governments of Karnataka and Andhra Pradesh have also reported that they have implemented a dual ration card system under which the poor are being supplied PDS foodgrains at prices which are specially subsidised by the State Governments.

Decisions regarding eligibility criteria issue of ration cards and other operational matters relating to the PDS are taken by the State Governments/UT Administrations under the present system of joint responsibility for implementing the PDS. The Central Government arranges for the procurement, storage, transportation and bulk allocation of PDS commodities to the States/UTs. All the States and Union Territories are treated on an equal footing by the Central Government and allocations of rice and wheat for the PDS are made from month to month based on availability of stocks in the Central Pool, *inter-se* requirements of States/UTs, seasonal factors etc.

The Advisory Council on PDS in which the Ministers in charge